

Message Text

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45

ACTION ARA-10

INFO OCT-01 ISO-00 FEA-01 AEC-05 AID-05 CEA-01 CIAE-00

CIEP-01 COME-00 DODE-00 EB-07 FPC-01 H-01 INR-05

INT-05 L-02 NSAE-00 NSC-05 OMB-01 PM-03 RSC-01 SAM-01

OES-03 SP-02 SS-15 STR-01 TRSE-00 FRB-01 PA-01 PRS-01

USIA-06 XMB-02 IO-10 /098 W
----- 006065

R 211555Z DEC 74

FM AMEMBASSY QUITO

TO SECSTATE WASHDC 3767

INFO AMCONSUL GUAYAQUIL

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E.O. 11652: N/A

TAGS: PGOV ENRG EINV EC

SUBJECT: ADA CASE: EXPLANATION OF BIDS BY CEPE MANAGER

REF: QUITO 8648

1. QUITO AND GUAYAQUIL MORNING PAPERS DECEMBER 20 CARRIED SUBSTANCE PRESS ANNOUNCEMENT OF COL. RENE VARGAS, MANAGER OF CEPE, THE STATE OIL COMPANY, CONCERNING THE RESULTS OF THE BIDDING ON FORMER ADA CONCESSION. VARGAS REPORTEDLY ACCUSED THE COMPANIES OF THE CONSUMING NATIONS OF BOYCOTTING THE BIDDING ON THIS CONCESSION.

2. HE AFFIRMED THAT NORTHWEST PIPELINE CORPORATION WAS THE ONLY BIDDER OF FOURTEEN (WE UNDERSTAND TWELVE) THAT QUALIFIED. HE ADDED THAT ALTHOUGH THIS MIGHT SEEM TO BE A FAILURE ON THE PART OF THOSE WHO ESTABLISHED THE BASES OF THE BIDDING, IN FACT IT IS NOT BECAUSE NORTHWEST PIPELINE PRESENTED A VERY GOOD BID THAT IN FACT IMPROVES ON THESE BASES.

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3. AS AN EXAMPLE OF THESE IMPROVEMENTS, HE SAID THAT

WHEREAS THE BASES CALLED FOR 16 PERCENT ROYALTIES TO THE STATE, NORTHWEST PIPELINE HAD OFFERED 18 PERCENT. NORTHWEST'S BID GIVES CEPE THE OPPORTUNITY TO ACCUMULATE A 61 PERCENT SHARE OF THE OPERATION WHILE THE BASES CALLED FOR ONLY 51 PERCENT. NORTHWEST PIPELINE, ACCORDING TO THESE REPORTS, ALSO PROPOSES CONSTRUCTION OF A 1500 TON PER DAY AMMONIA PLANT AND TO SUPPLY THE NATURAL GAS NEEDS OF THE GUAYAS AREA.

4. ACTION REQUESTED: PLEASE PROVIDE EMBASSY PERTINENT DATA ON NORTHWEST PIPELINE SUCH AS EXPERIENCE, FINANCIAL AND TECHNICAL CAPACITY TO CARRY OUT GULF OF GUAYAQUIL OPERATION SHOULD BID BE AWARDED THAT FIRM. MEANWHILE, WE WILL PREPARE MORE DETAILED REPORT ON NORTHWEST BID AND CIRCUMSTANCES SURROUNDING IT.
BREWSTER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM INDUSTRY, PRESS COMMENTS, PETROLEUM CONCESSIONS, PROPOSALS (BID)
Control Number: n/a
Copy: SINGLE
Draft Date: 21 DEC 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: CunninFX
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974QUITO08698
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740372-0343
From: QUITO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19741216/aaaaantx.tel
Line Count: 77
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION ARA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 74 QUITO 8648
Review Action: RELEASED, APPROVED
Review Authority: CunninFX
Review Comment: n/a
Review Content Flags:
Review Date: 17 SEP 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <17 SEP 2002 by cunninfx>; APPROVED <24 MAR 2003 by CunninFX>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: ADA CASE: EXPLANATION OF BIDS BY CEPE MANAGER
TAGS: PGOV, ENRG, EINV, EC, ADA
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005